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Title: Biodiesel from soybeans produced in Union County sold at local station

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Diesel fuel made with soybeans produced at a Union County farm is being pumped at a Paducah service station, the first site in Western Kentucky to offer the alternative fuel to retail customers.

Andy Sprague, a farmer in Sturgis, opened a small biodiesel plant in January. Sprague each day produces about 2,500 gallons of B2, a blend of 2 percent biodiesel fuel. He sells the fuel to Mid West Terminal in Paducah, but before last week it had gone solely to farmers and select customers.

Now, the fuel is available at the Kentucky Tobacco Outlet on Hinkleville Road, which recently starting pumping biodiesel. The station's owner, Bob Hill, said the fuel can be used in any diesel engine.

The Mid West Terminal "wanted somebody to take the initiative to start retailing it," Hill said. "I said I'd be willing to do it because it's something that will help the farmers and the environment."

Biodiesel has been sold in only six or seven other locations statewide, including stations in Lexington and northern Kentucky, soybean board spokeswoman Jamie Morgan said.

"This is the first time it will be sold in the western part of the state, which is where most of the fuel is being used in farm equipment."

Biodiesel costs slightly more - about 3 to 5 cents more per gallon at the pump - but it burns cleaner and improves engine lubrication, according to proponents.

A federal tax credit that took effect Jan. 1 has lowered the cost of the alternative fuel, making it affordable for the consumer market. The incentive is expected to help boost biodiesel demand from 30 million gallons in fiscal 2004 to at least 124 million gallons per year, according to the U.S. Department of Agriculture.

Mid West has invested nearly \$50,000 in its tanks and pumping system to supply biodiesel, general manager Jack Campbell said.

"We're making a calculated decision on what the future holds, and we realize our return could be down the road," he said. Campbell said less than 1 percent of Mid West's current business is in biodiesel.

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